

URGING HOUSE REPUBLICAN LEADERSHIP TO DROP CONTROVERSIAL PROVISIONS IN PROPOSED HEALTH INSURANCE REFORM MEASURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, as health insurance reform goes to conference between the House and the Senate, I want to stress again tonight in the 5 minutes that I have that the Republican leadership needs to drop controversial provisions that I think are likely to scuttle this very important health insurance reform. Of course, the most important aspect of this, the most controversial provision, the one that I think really needs to be dropped, is what we call medical savings accounts; the tax breaks, if you will, for the wealthy and the healthy.

Mr. Speaker, last week the Senate passed the Kennedy-Kassebaum health insurance reform bill unanimously, 100 to zero. But the Senate bill, unlike the House bill, does not include these divisive provisions that doom the chances of this very important health insurance reform from becoming law.

The so-called medical savings accounts are essentially tax-free savings accounts from which participants could pay for everything but catastrophic health care costs. The problem with these accounts is that they would be a good deal, again, only for the healthiest and wealthiest people in our health care system, those who do not have high health care costs on a regular basis.

But health insurance costs would then increase for the average American, because essentially when we talk about health insurance, it all involves a health insurance risk pool which has all kinds of people in it. If we take out all the healthiest and the wealthiest people, we are essentially leaving in the pool the people that are the highest risk, that need the most attention or health care, so we destroy the whole basis for the health insurance pool and drive up the costs, essentially, for those who are left after those have been taken out of the pool.

Mr. Speaker, some people have asked me, why is this happening? Why is Speaker GINGRICH, why is the Republican Presidential candidate, talking and so insistent about including the medical savings accounts? Basically, it is a financial windfall for the Golden Rule Insurance Co., whose top executive has given Republican political committees over \$1 million in contributions in the last 4 years.

What I am saying, Mr. Speaker, is let us forget about the political contributions. Let us forget about Golden Rule Insurance Co. Let us do what is right for the average American.

Mr. Speaker, again, I wanted to point out that medical savings accounts are designed to accompany the purchase of very high-deductible catastrophic in-

surance policies. They offer a myriad of tax breaks for those who can afford to save up money to pay the vastly increased out-of-pocket costs caused by an out-of-reach deductible.

I think that three questions have to be asked. Every American basically should ask the Republican leadership or every Republican lawmaker three questions with regard to these medical savings accounts: First of all, who wins if they are incorporated in this insurance reform; who loses; and why the Republican leadership insists on continuing to push for the medical savings accounts.

Who wins? The answer is simple. The wealthy win. They are the only ones who can afford to contribute thousands of dollars to a savings account. In fact, less than 1 percent of all people who might use medical savings accounts earn less than \$30,000 a year, even though these families account for nearly half of all American taxpayers.

Who loses? Everyone else who relies on standard insurance. In fact, if medical savings accounts are available, some businesses could make it impossible for many families to even afford adequate health insurance.

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The cost for premiums of regular health insurance could increase by more than 60 percent. Our goal at all times should be to try to increase the amount of Americans that have health insurance and to try to make health insurance more affordable.

We will do exactly the opposite with these medical savings accounts. We are creating tax breaks for the wealthiest and the healthiest among us and we are making costs less affordable, and we are probably making it so that fewer people in the long run would have health insurance. It makes no sense.

The only thing I can say is that I have to hope that over the next few weeks, it was mentioned earlier this evening by the gentleman from Texas [Mr. DELAY] that we may go to conference on the Kennedy-Kassebaum bill later next week. The conference has been held up essentially because there has been an effort to appoint a lot of conferees on the part of the Republican leadership who would favor these tax breaks for the wealthiest and the healthiest among us.

What I hope is that that position will change over the next week, that we can appoint conferees, and that this conference will quickly accede to the Senate version of the bill which does not include these tax breaks for the wealthiest and healthiest among us. What we need is a clean Kennedy-Kassebaum bill. Why? Because it will provide for portability and it will provide coverage for those with preexisting conditions.

The whole point of this health care reform this year, and it was stated by President Clinton in his State of the Union address, is that we must get to those people who change a job, who

lose their insurance because they change jobs or become self-employed, and we must get health insurance for those people who have preexisting medical conditions. Let us deal with those problems now. Let us forget these other controversial provisions.

The SPEAKER pro tempore (Mr. MICA). Under a previous order of the House, the gentleman from Pennsylvania [Mr. ENGLISH] is recognized for 5 minutes.

[Mr. ENGLISH of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WE NEED TO RAISE THE MINIMUM WAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

Ms. MCKINNEY. Mr. Speaker, I have tried to compile the reasons why the Republican majority will not allow us to vote on a minimum wage increase, and the first reason I came up with was, of course, stated by Majority Whip DELAY, who says that minimum wage families do not really exist. He says, "Emotional appeals about working families trying to get by on \$4.25 an hour are hard to resist. Fortunately such families do not really exist."

An honorary member of the Republican freshman class, Rush Limbaugh, says on the official poverty line, "14,400 for a family of 4? That's not so bad."

Now he said that in November 1993. Earlier he said, "I know families that make \$180,000 a year and they don't consider themselves rich. Why, it costs them \$20,000 a year to send their kids to school."

Unfortunately, the House majority leader, DICK ARMEY, has said that he will resist a minimum wage increase with every fiber in his being. He says that the minimum wage is a very destructive thing.

Limbaugh goes on to say, "All of these rich guys like the Kennedy family and Perot, pretending to live just like we do and pretending to understand our trials and tribulations and pretending to represent us, and they get away with this."

Well, in 1993 while Limbaugh was equating himself with the average American family, Limbaugh's 1993 income was estimated to be \$15 million. That is from Forbes, April 1994.

One of the freshmen who also does not know about middle-class living, real middle-class living, says, "300,000 to \$750,000 a year, that's middle class."

I think that is out of touch. And anyone who makes above \$750,000 a year, he says, "that's upper middle class." Now, this is a real person who is representing all of the American folks in this Congress.

But what about the people who really are working hard and making minimum wage and need a little bit of representation down here on the floor of